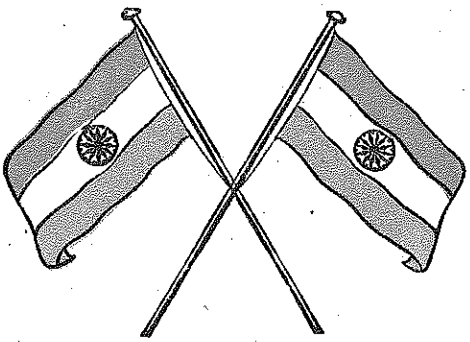

SPEECH OF

Sri C. Subramaniam,

Finance Minister

Presenting the Budget for the year 1955-56

to the Madras Legislature

26TH FEBRUARY 1955

सत्यमेव जयते

GOVERNMENT OF MADRAS

FINANCE DEPARTMENT.

Speech of Sri C. Subramaniam, Finance Minister, presenting the Budget for 1955–56 *to the Madras Legislature on the 26th February* 1955.

Sir,

Five-Year Plan.

The Budget for 1955–56 which I am now presenting to the State Legislature, covers the final year of the current Five-Year Plan. When this Plan was formulated early in 1951, ours formed a composite State with Andhra. After the partition of the State in 1953, the Plan was broken up into its components and the portion for the present Madras State was shaped with some adjustments and additions, to form the new Madras Plan. It envisages an outlay of Rs. 86·43 crores on schemes financed by the State Government and Rs. 6·41 crores on schemes like Community Development projects, National Extension Services and Local Development works, financed largely by the Central Government, making a total outlay of Rs. 92·84 crores. During the first three years, that is up to the 31st March 1954, we had spent on schemes in the State sphere, Rs. 43·27 crores or about 50 per cent. The slow progress of the Plan in the early years, was due to the heavy strain on our resources, following adverse seasons necessitating large outlays on relief measures. The expenditure during the current year, i.e., the fourth year of the Plan, is expected to be Rs. 18·16 crores and this leaves a balance of Rs. 25·00 crores to be expended in the budget year. The actual outlay proposed in the budget is Rs. 25·83 crores, which means that we are implementing the Plan for the State in full. The Centrally sponsored schemes

of Community Development projects, National Extension Services and Local Development works, were initiated only after we were half-way through the Plan. Of the sum of Rs. 6·41 crores proposed under these heads, only Rs. 56 lakhs were spent up to 31st March 1954. The proposed measures have since gained considerable momentum and an outlay of Rs. 282 lakhs is anticipated in the current year and Rs. 347 lakhs in the next year. If these anticipations come true, this part of the Plan will also be fully implemented. A broad break-up of the outlay according to the different departments is given in Appendix IV to the copy of this Speech. Even though the planned outlay is being expended in full, there are some unavoidable short-falls under certain heads. For example, there is a deficiency of Rs. 50 lakhs under Forests which is due to the fact that certain schemes of afforestation and soil conservation, included in the Plan at a late stage, are still under correspondence with the Government of India on the question of Central assistance. Deviations of this minor nature from the Plan must be expected when the outlay over a period of five years, had to be estimated in advance. They will be made good in the next Plan.

What planned outlay means.

2. In order to appreciate the significance of the Plan, it is necessary to note the precise distinction between expenditure covered by the Plan and expenditure outside the Plan. A scheme is treated as part of the Plan only if it is intended to provide a new amenity to the people. The large appropriations on departments of Government such as Revenue, Courts, Prisons, Police, etc., are outside the Plan, even though these departments are all very essential for security and good administration. Even the expenditure incurred all these years on social services like Education, Public Health, Co-operation, Labour, etc., will not be reckoned within the Plan, because they do not confer new benefits on the people. But the cost of a new school, new road, new agricultural farm, extension to an old hospital or an irrigation system, will all form part of the Plan. The maintenance of the General Hospital or the Presidency College will come outside the Plan, because these institutions have been there when the Plan was framed, but the new Medical College at Madurai will form part of the Plan. All new irrigation and electricity works whether big or small and all permanent improvements to the existing irrigation works are within the Plan. The test to

be applied is whether the outlay is on a new service and if so whether it confers a fresh benefit on the people. The amount provided for education in the Budget is Rs. 10,20 lakhs, but only Rs. 131 lakhs on schemes newly introduced form part of the Plan. Hon'ble Members may therefore note that the provision in the Budget of Rs. 29·30 crores for the Plan, represents the progress we are making in the year on Development and Welfare services.

Objectives of the plan.

3. It is indeed true that all this outlay does not make an adequate impression on the economy of the State. The poverty of ages sticks hard and cannot be shed without further sustained effort over a period of years. The framers of the Plan had no illusions about the results that could be achieved in the first Plan period. Their broad objectives were to stem the tide of inflation which at the time seemed to overwhelm our credit structure, to cover the food deficit which was eating up foreign exchange at an alarming pace and to correct the deficiencies in our Industrial and Transport organizations so that a more ambitious Plan could be based on the economy so prepared. Inflation has not only been arrested but we are even thinking whether something should be done to arrest the present downward trend of agricultural prices. For the first time in recent years we have permitted the export of foodgrains. Industrial production has increased appreciably and the transport system has been geared up to meet all the present demands on it. The targets set in the Plan were perhaps modest but nobody can deny that we have had a fair measure of success on them. What is of even greater significance is the fact that people living in remote villages have understood in a general way, the necessity for planning. For a country modelled on the democratic pattern, this is a vital achievement, because planning in an under-developed economy involves immediate sacrifice and this is accepted best when people realise that it is for their own good in the long run. We should not therefore despair over the present slow pace of our development, but may take solace in the thought that we have prepared the ground for the faster development envisaged in the second Plan, to which I shall refer after covering the budget proposals.

Irrigation.

4. Our Irrigation programme is making rapid progress. The Bhavani project has been completed and practically the whole ayacut of 2 lakhs of acres will be irrigated during this year. The Malampuzha,

the Manimuthar and Mettur canals projects will be almost completed in the course of the year. Work has commenced on all the four new projects, the Amaravathi, the Vaigai, the Sathanur and the Krishnagiri and they will be completed early in the next Plan period. Full provision is being made in the Budget for all these works according to the needs anticipated by Engineers. The allotments for minor irrigation works and the renovation of tanks are being stepped up from about Rs. 75 lakhs in the current year to about Rs. 125 lakhs in the Budget year. The benefit of these small works will be spread over all the districts. The total provision for irrigation including tank improvement schemes, is Rs. 746 lakhs and additional provision will be made during the course of the year to the extent found necessary. But it has to be kept in mind that our ground water resources are limited and it is therefore necessary to exploit the sub-soil water to the greatest extent possible. The Government therefore propose to take up an extensive programme of providing filter-point wells and tube-wells for irrigation purposes. We may spend about Rs. 100 lakhs in the Budget year on these schemes.

Electricity.

5. We are making equally good progress on electricity schemes, more particularly on rural electrification. About 2,200 villages have been electrified and 25,000 pump-sets connected up to the beginning of this year. Another 300 villages may expect to receive the benefit during the current year taking the total to about 2,500. The allotment for rural electrification in the budget is Rs. 764 lakhs which is double the provision in the current year and with this outlay we may hope to reach another 600 villages in the budget year. At the present rate of expansion, the target of 1,000 villages per year set for the second Plan, may be reached soon and we may hope to cover a fair portion of the country-side with our electric grid in the second Plan period. In the meanwhile, work has commenced on the Periyar Hydro-Electric Scheme and the extensions to the Madras Thermal Plant are being expedited. The total budget provision on electricity is Rs. 11,40 lakhs which sum is by far the largest for any year after the department was organized.

Lignite.

6. The investigation of the Lignite deposits of Neiveli is now taking a very satisfactory turn. The pilot project launched at a cost of about Rs. 80 lakhs, is nearing completion and has furnished enough data

to take the venture outside the regions of speculation. A British firm of experts has already prepared a scheme report for the commercial exploitation of the mineral. On studying this report, the Government of India have decided to come into the picture in a large way and have set up a High Power Committee with three representatives of this Government to direct further operations. They have relieved us of the financial responsibility on investigations after the 1st January of this year. The scheme report envisages the generation of large blocks of power, an ammonium sulphate factory with capacity adequate to the needs of South India and a plant for the conversion of lignite into briquettes for use in boilers and as domestic fuel. Several subsidiary industries, such as paints, varnishes, porcelain and even motor spirit are possible as the project progresses. The estimated cost of the project now under consideration, is about Rs. 60 crores, the whole of which will be found by the Centre. Our power grid will be fully protected against the vagaries of the monsoons and strengthened to meet the growing demands of rural electrification. Besides the indirect benefits of large scale industrial development, the State Government will also be getting a one-fourth share in the net profits of the enterprise in lieu of royalty for the mineral. We may hope that this large industrial venture would have been initiated before the end of the Budget year.

Rural Water-supply.

7. We have been able to make some headway on Rural Water-supply recently. The provision in the current year for this villagers' amenity is Rs. 40 lakhs from State funds and Rs. 30 lakhs from the Centre under the Local Development Programme. A contribution ranging from 25 per cent to 50 per cent is expected from the beneficiaries, which means that over Rs. one crore worth of works can be done in the year. Composite schemes for groups of contiguous villages with overhead tank and pipe system are also being worked out. A special staff of Public Health Engineers has been organized to assist Collectors in the execution of this programme. The Board of Revenue is now aiming at an annual target of 3,500 wells and about 50 composite schemes to cover about 4,000 villages. With the experience gained during this year, greater progress can be expected in the Budget year and adequate provision is being made for this purpose. We are now having about 15,000 public-owned drinking water wells in the State and at the present pace, we may hope to cover all villages

and major hamlets with at least one well each during the second Plan period. Another programme under preparation, is to provide the Delta villages which are most affected by cholera, with composite schemes of protected water-supply. A Central grant of about Rs. 60 lakhs has been promised and we have to find an equal sum as contribution by villagers or out of State funds. A good deal of work on this programme is expected to be done in the Budget year and about 500 villages along the Cauvery, the Vaigai and the Tambraparni may be benefited.

Urban Water-supply.

8. In the matter of Urban water-supply and drainage schemes, we have not been able to do much in the past for lack of resources. The Government of India have recently agreed to give us a loan of about Rs. 250 lakhs to be utilised before the end of the Budget year and the necessary Public Health organization is being built up. The Madras City Corporation will be given a loan of about Rs. 60 lakhs for setting up rapid mechanical filters and for improvements to the existing distribution system. The Corporation has commenced the works and hopes to spend the amount before the end of the Budget year. Comprehensive water-supply schemes are being taken up for the municipalities of Mangalore, Tiruppur, Tirunelveli, Melapalayam, Salem, Coimbatore, Madurai, Gobichettipalayam, Cuddalore, Dindigul and Kumbakonam. With the trained staff and equipment built up on the programme, we may hope to cover all our major municipalities during the second Plan, provided the necessary measure of co-operation is forthcoming from municipal authorities. These expensive works are exclusively for the benefit of urban dwellers and it is only fair that the rate-payers of these towns should shoulder a fair share of the burden, and should not expect much assistance from the general tax payer.

National Extension Services.

9. The Community Development projects and the National Extension Services are making steady progress after the initial teething troubles. The more intensive form of Development envisaged under the Community Projects, is now in operation in 21 blocks, each block covering about 100 revenue villages. The National Extension Services have been extended over another 48 blocks, making in all 69 blocks. We have thus reached the target of covering one-fourth of the rural areas during the present Plan period. The budget provides for taking up 36 new blocks

under National Extension Services and for converting 14 of the existing National Extension Services blocks into Community Development blocks. Arrangements for training the required field personnel are being accelerated, so that the entire State may have the benefit of these ameliorative measures early in the second Plan period. It is heartening to note that villagers' contribution in cash and kind, which was slow to come in at the initial stages, has now become substantial and amounts in terms of money to about Rs. 32 lakhs during this year. An outlay of Rs.1,91 lakhs is provided for these services in the current year and Rs. 256 lakhs in the Budget year.

Local Development Works.

10. Local Development Works are becoming increasingly popular. Hon'ble Members are aware that these are small works undertaken by the villagers for their benefit with a half-grant from the Centre. The scheme is restricted to areas which do not have the benefit of intensive development under the National Extension Services or the Community Development programme. It was not possible to do much on these works last year, but the unspent provision of Rs. 20 lakhs of last year and the sum of Rs. 29 lakhs available for the current year are all expected to be utilised before the end of the year. Special engineering subdivisions have been sanctioned one for each district, to assist villagers on these works. The Government have recently liberalised the rules for the sanction of these works. Villagers may now start works costing less than Rs. 3,000 each, without detailed estimate and prior scrutiny. This is a field where Hon'ble Members can render valuable assistance by popularising the scheme in the villages of their respective constituencies. With the funds available under this head, many more villages can take advantage of the scheme.

The Social Welfare Board, a Central organization for the uplift of women and children under the Chairmanship of Srimathi Durgabai Deshmukh, is starting various ameliorative measures in different centres in the country. Seventeen such Centres are being set up in this State and each centre will be given a grant of Rs. 25,000 by the Central Welfare Board. The State Government and the villagers have to find an equal sum and this Government have agreed to assist this scheme with grants to the extent of Rupees 12,500 per centre, on the certificate of the District Collector that the centres in his district are doing

useful work. Provision has been made in the budget for this purpose. I hope this measure will be of real assistance to the women and children of these centres and also lend some colour to the dull routine of their existence.

Road Development.

11. We have been able to accelerate our road works very considerably during the year. The Government of India have agreed to give us grants amounting to about Rs. 138 lakhs on a number of road works of inter-State importance and intended to open up backward tracts. Twenty works are being taken up under this programme and substantial progress may be expected during the Budget year. Works have commenced on the West Coast Road which is being upgraded with bridges, culverts and black-top to provide an all-weather Highway from Bombay to Cape Comorin, at a cost of about Rs. 282 lakhs for the stretches in this State. This Government had undertaken to meet half the cost of these works from the State's share of the Central Road Fund. The Government of India have since agreed to meet the full cost of these works from the 1st April 1955 and this would release for use elsewhere, our share of the Central Road Fund. The Government have now decided to use Rs. 30 lakhs out of the sum so released, for giving black-top to stretches of State Highways bearing heavy bus traffic. The total provision in the budget for capital improvements to our road system under National Highways, State Highways and Major district roads, is about Rs. 172 lakhs and we may hope to improve on this outlay in the coming years.

Grants to Local Bodies.

12. We have not been able so far to take up in a large way, improvements to rural communications. Something is now being done under Local Development works and National Extension Services, but the effort is not adequate. The real problem is one of maintenance which falls heavily on District Boards and Panchayats, which are unable to meet the cost. Local Bodies are becoming so much dependent on grants from the Government as to sap local initiative. The need for augmenting their resources is pressing, but it may take time to find the ways and means of doing this on a long-term basis. Meanwhile, we must make a beginning somewhere. The Government have considered this matter carefully and have decided to augment the resources of Local Bodies by an additional levy on land which may bring in about Rs. 75 lakhs a year and to make an outright grant of

this sum to Local Bodies. I shall deal with the details of this measure under the proposals for additional taxation. The amount of Rs. 75 lakhs will be distributed between the different districts other than Madras and about Rs. 25 lakhs will be earmarked exclusively for Panchayats. This grant will not be reserved for road works alone but the Government hope that with this improvement in their resources, Local Bodies will be able to do greater justice to rural communications. The normal provision of about Rs. 17 lakhs for grants to Local Bodies for new road works, is being made separately. Hon'ble Members are already aware that a grant of Rs. 5 lakhs has been made to the Madras Corporation for roads in the current year and this is being continued in the Budget year.

Education.

13. The advance made on education this year, has also been appreciable. Taking advantage of the assistance offered by the Government of India, we recently opened 2,800 new elementary schools in school-less centres and strengthened the existing schools with 200 additional teachers. The opening of a further batch of 1,500 schools and the strengthening of the existing schools by another 1,000 teachers are being authorised presently and with this addition, which may be spread over the current year and the next, we shall have covered all villages with a population of 500 and above with at least one school. Elementary education should now be within the reach of children of most areas in the State because there will be a school within two or three miles of practically every hamlet. It may be desirable to pause at this stage and consolidate the new schools with the necessary buildings and equipment before spreading further into the more remote hamlets. Meanwhile, a Committee under the Chairmanship of Dr. Alagappa Chettiar is examining the present system of elementary education in all its aspects and we may await with interest the recommendations of this Committee. The Secondary Education Commission's report is now under the careful consideration of the Government. Some of the points raised in this report have turned controversial and we must allow enough time for public opinion to express itself. Meanwhile we are accelerating the conversion of existing schools to multi-purpose ones, with improvements to libraries and facilities for craft training. We may hope to spend about Rs. 50 lakhs on these schemes in the Budget year, making use of the assistance

offered by the Government of India. With a view to foster a better sense of discipline amongst the youth, we propose to expand the National Cadet Corps and provision is being made for training another 100 troops in schools in the Budget year, at a cost of about Rs. 5 lakhs.

Hon'ble Members are aware that Harijans are exempt from school fees and Backward communities are eligible for half-fee concessions. Even though our Constitution envisages free education to all children between the ages of 6 and 14, students of other communities have generally to pay full fees irrespective of the means of their parents. The Government have considered this matter carefully and have decided to exempt all poor children without any distinction of caste, creed or community, from the payment of school fees up to the middle school stage, i.e., up to Form III inclusive, with effect from the next school year. A student will be considered poor for the purpose of this exemption, if his parent or guardian derives an annual income of less than Rs. 1,200 per annum. The managements of schools will be compensated for the loss of fee income. Even though elementary education is generally free, the managements of some aided elementary schools are charging school fees. The managements of these schools will also be suitably compensated. These measures are expected to cost about Rs. 50 lakhs and provision has been made in the budget for this purpose.

Revised Estimates, 1954-55.

14. Before I pass on to the Budget Estimates, I shall briefly review the revised estimates for the current year. When the Budget was presented last March, we anticipated a revenue of Rs. 45,00 lakhs, after taking credit for Rs. 40 lakhs as the proceeds of additional taxation and an expenditure of Rs. 45,18 lakhs, showing a small deficit of Rs. 18 lakhs. The revised estimates as now fixed, show a revenue of Rs. 45,19 lakhs and an expenditure of Rs. 47,68 lakhs leaving a much larger revenue deficit of Rs. 249 lakhs. Of the new taxation proposals, the Betterment levy, the agricultural Income-tax on Plantations and the revision of Court Fees have yet to come into force. The enhanced sales tax of 1 anna 3 pies in the rupee at a single point on medium mill cloth, has not yet received the assent of the President. The Government of India seem to feel that this levy on an essential article is not wholly justified. I hope the House will join with me in endorsing the point that in a State with a very large handloom output struggling to find a market,

medium mill cloth is by no means so essential as to attract the over-riding powers of the Centre. This Legislature did consider all the aspects of the case before imposing this levy on the consumers of this State and let us hope that the Central Government will soon reconsider their stand in the light of the recommendations of the Taxation Enquiry Commission. The enhanced sales tax on fine and superfine mill cloth came into force late in the year and may yield about Rs. 20 lakhs during the rest of the year. Even with this addition, the proceeds from General Sales Tax amount only to Rs. 875 lakhs as against the Budget Estimate of Rs. 950 lakhs. The shrinkage in Sales Tax is made up to some extent under Land Revenue which is now expected to be Rs. 636 lakhs as against the original estimate of Rs. 595 lakhs. The favourable seasonal conditions and the new graduated surcharge on larger holdings account for this increase. Other favourable features on the Revenue side are receipts from Electricity, Rs. 257 lakhs against the original estimate of Rs. 207 lakhs and Forest, Rs. 145 lakhs against the original estimate of Rs. 110 lakhs. For the first time, we are taking a credit of Rs. 10 lakhs for this year and Rs. 25 lakhs for the next under estate duty levied on commercial and professional wealth. This may prove to be an increasing source of revenue in the future, especially after we extend the provisions of this legislation to landed property also.

The substantial increase on the expenditure side of the revised estimate should not cause any surprise. We have expanded the Development services during the course of the year. The Education budget alone has gone up by Rs. 61 lakhs from Rs. 854 lakhs to Rs. 915 lakhs. Civil Works have registered an increase of Rs. 94 lakhs mostly on roads and to some extent on water-supply and drainage schemes. We have also covered new areas with the National Extension Services, after the budget was framed.

The capital expenditure for the year is expected to be Rs. 13,51 lakhs as against the previous estimate of Rs. 12,62 lakhs. The increase has been substantial under rural electrification. There has been larger outlay under loans and advances also, mainly to Municipalities on Urban Water Supply Schemes. The loans expected from the Centre under different heads amount to Rs. 12,00 lakhs. The year is expected to close with a cash balance of Rs. 367 lakhs.

Budget Estimates, 1955-56.

15. The Budget Estimates for 1955–56 anticipate a revenue of Rs. 46,27 lakhs on existing taxation and an expenditure of Rs. 49,58 lakhs, leaving a deficit of Rs. 331 lakhs. Provision has been made for 261 new schemes as per the detailed list appended to the Budget Memorandum, including the school-fee concessions and the special grant to Local Bodies referred to earlier. The present estimates are on the assumption that seasonal conditions will be normal, that Land Revenue will come in without material default and that no large outlay will be called for on distress relief measures. Receipts under Sales Tax have been fixed at Rs. 920 lakhs, taking credit for Rs. 40 lakhs from the increased sales tax on fine and superfine cloth and Rs. 25 lakhs as additional receipts due to the improved seasonal factor. In view of the rapid expansion of our power grid, the net revenue from electricity schemes is expected to be Rs. 320 lakhs as against Rs. 257 lakhs in the current year. Under Motor Spirit Taxation, the receipts are falling, but this is largely due to the change over of transport vehicles from petrol to diesel. The other items of revenue do not call for any special comments.

On the expenditure side, there is all round expansion in all the welfare departments, the broad lines of which I have referred to earlier. The provision for the welfare of Harijans and Backward Classes has been stepped up and is now expected to be about Rs. 110 lakhs. A provision of about Rs. 15 lakhs has been made for improvements to our hospitals and increase in bed strength. A concession made to Government servants is the liberalisation of their leave rules. Government servants governed by the Madras Leave Rules will be allowed to accumulate leave up to 120 days as against 90 days and their leave salary will be reckoned on the average pay for the 12 months instead of for the past 36 months. Stenographers will be permitted to draw their special allowance during the leave period also. It is difficult to reckon the cost of these concessions but it may be substantial in the long run. There is an apparent increase under Police expenditure from Rs. 463 lakhs to Rs. 486 lakhs, but this is due to the transfer of the Prohibition staff from the Board of Revenue to the Police Department and involves no real increase. There is corresponding reduction under the Excise Department where the expenditure was shown before.

The anticipated capital expenditure for the year is Rs. 20,60 lakhs, made up of Rs. 746 lakhs on Irrigation, Rs. 11,40 lakhs on Electricity and Rs. 174 lakhs on buildings, transport, industries and as compensation to Zamindars. There is a provision of Rs. 45 lakhs for the construction of quarters for policemen in the City and mufassal. This is part of a long-term programme costing about Rs. 4 crores on which we have sought Central assistance. If that is forthcoming, we may hope to accelerate the pace of this programme, so that the policemen all over the State can soon be housed in reasonable living conditions. Other building provision includes allotments of Rs. 12 lakhs for basic training schools and Rs. 2 lakhs for further extensions to the Todhunternagar Government Servants' colony. It has been decided to strengthen the City transport with another batch of 50 heavy diesel buses, for which a provision of Rs. 25 lakhs has been made. We have been negotiating with the Andhra Government on the division of the shares worth Rs. 102 lakhs in the Industrial Investment Corporation, which was serving the Composite State. The Andhra Government are likely to take over the investments of the Corporation amounting to Rs. 16 lakhs in that area towards their portion of the share capital worth about Rs. 36 lakhs and we may have to pay them the balance in cash. Pending a satisfactory settlement which is now in sight, a provision of Rs. 20 lakhs is being made in the budget.

Under Loans and Advances, the anticipated outlay is Rs. 612 lakhs. This sum includes a provision of Rs. 190 lakhs to Local Bodies for Urban Water Supply and Drainage Schemes referred to earlier. Recoveries during the year are expected to be Rs. 255 lakhs, leaving a net outlay of Rs. 357 lakhs.

New taxation proposals.

16. With our enormous commitments on the capital side and our fast growing needs on Welfare Services, we cannot leave the large revenue deficit of Rs. 331 lakhs uncovered, especially after a run of deficit budgets. The new taxation measures, namely, the Agricultural Income-tax on Plantations, the Betterment levy and the Revision of Court Fees may bring in about Rs. 50 lakhs during the Budget year and this may reduce the deficit to Rs. 281 lakhs.

It is now proposed to levy a flat surcharge of 2 annas in the Rupee on Land Revenue on all lands, wet, dry and garden and on all water rates. The amount

of this surcharge will not be taken into consideration for reckoning the special levy on larger holdings under Act XIX of 1954. This measure will yield about Rs. 75 lakhs and will go towards the grant of Rs. 75 lakhs proposed earlier for augmenting the revenues of Local Bodies. In the present state of our finances, we could not have proposed this new grant without raising the necessary sum by additional taxation. In view of the improved seasonal conditions and the low incidence of Land Revenue compared with pre-war conditions, the Government feel that this new levy may not prove unduly burdensome.

Excepting superior cigarettes and cigars which are taxed separately under Act IV of 1953, tobacco and its derivatives are now exempt from the sales-tax. In a State where practically every commodity including foodstuffs and cloth are subject to sales-tax, there is no justification for exempting tobacco. We were taxing tobacco till about 1944, when it was given up in lieu of the compensation offered by the Centre. Now that the Central subvention has been stopped, the Government consider that tobacco and all its derivatives excepting superior manufactured tobacco which is being taxed at a higher rate under Act IV of 1953, should be subject to the general sales-tax as any other consumer goods. Cigarettes costing less than 3 pies each, will be taxed at 5 per cent of turnover at one single point and will thereafter be exempted from the General Sales-Tax now proposed. These measures may bring in about Rs. 50 lakhs in the Budget year.

In the last budget, we gave exemption from sales-tax to certain perishable commodities like meat, fish and vegetables. On the same principle, it is now proposed to grant exemption from sales-tax to onions, potatoes, betel leaves and plantain leaves. Co-operative Societies producing palm gur will be exempted from sales-tax on their sales of palm gur. Sales by Cottage Industrial Co-operative Societies of such articles as carpets, pots, stoneware, brassware, toys, etc., produced by the members of these Societies, will also be exempted from sales-tax. These concessions will cost about Rs. 10 lakhs but may bring in considerable relief to a large number of petty dealers and Co-operative Societies.

The net yield of these new taxation measures will be about Rs. 115 lakhs and will further reduce the deficit to Rs. 166 lakhs. It is proposed to leave this

deficit uncovered, in the hope that some further measure of assistance is in store for us in the Central budget.

17. Our requirements on the Ways and Means side during the year will be about Rs. 30 crores made up of :— **Ways and Means.**

	RS. LAKHS.	
Capital Expenditure	20,60	
Net disbursement under Loans and Advances	3,57	
Repayment of Debts to the Government of India and the public ..	3,44	
Revenue Deficit	1,66	
Balance to be kept in the Reserve Bank and Treasuries	50	
Total ..	29,77	or Rs. 30 crores in round figures.

As against these requirements, we hope to have an opening cash balance of Rs. 367 lakhs and a net credit within the year of Rs. 212 lakhs under Deposit heads and State Trading Schemes, making a total of Rs. 579 lakhs. The budget assumes that we would be able to get loans from the Centre and the open market to cover our further requirements amounting to about Rs. 24 crores.

18. I have now covered the budget proposals. It is true that I have made no suggestions to relieve the anxiety prevailing in the districts over the tendency of agricultural prices to fall. All through the post-war years we were faced with enormous food deficits and were struggling to find the resources to subsidise imported foodgrains to bring them within the reach of the poorer sections of the people. A problem of the present nature was not anticipated and there is no ready-made solution. There is now complete freedom of movement for foodgrains in the country and therefore, the question should be dealt with by the Centre in close co-operation with all the States. It is not clear yet that the problem is other than seasonal and that the prices may not look up again, as the stocks move out of the producing centres to the deficit areas. To the extent the fall in prices is due to better season and larger crop outturn, we should welcome the present trend. Some little fall in agricultural prices and the consequent reduction in the **Agricultural prices.**

cost of living is good for the Urban dweller and for our export trade. One means by which the Government can push up agricultural prices is by increased spending in the public sector and thereby placing new purchasing power in the hands of the people, and I am sure the Union Finance Minister is considering this question in all its aspects. I think on the whole we should not get unduly alarmed and hazard opinions on inadequate economic data, but watch the present trend for a little longer.

Second Five-Year Plan.

19. Hon'ble Members may like to know the intentions of the Government on the second Five-Year Plan which is now under consideration. The Planning Commission have yet to issue the broad directives for this Plan, but on present indications, it seems safe to assume that the second Plan can be double the size of the current one. The emphasis which we laid in the first Plan on large irrigation and electricity works was indeed very necessary for the rapid economic development of the country. But this meant that we did not have resources to cover larger tracts of the countryside with tangible benefits from the Plan. The second Plan should provide certain basic requirements of the people of all villages like primary education, drinking water-supply, rural communications, agricultural facilities, rural industries, medical assistance, etc. The success of any Plan will depend largely on the willing co-operation of the people. In order to ensure this, the wishes of the people and the extent to which they are willing to assist in the endeavour with money and labour, should be ascertained in a general way. The State is too large a unit for planning of this detailed magnitude and therefore, the new Plan should be prepared for each district under the direction of the District Collector in consultation with an advisory body. Large development works which cannot be planned at the district level, will be broken up into their component parts according to the outlay in each district and added on to the district Plans, to make up the total plan for each district. In areas served by Community Projects and National Extension Services, a machinery for ascertaining local opinion already exists, but this has to be built up in other areas. The Plan to be realistic, must be kept within financial bounds. Therefore, the work of the district planning bodies should be carefully supervised and co-ordinated with the work of the various nation-building departments. For this purpose,

the Government have recently appointed a senior officer as Development Commissioner who will tour the districts, set up the necessary planning machinery at the district and village level and be in overall charge of the framing and implementation of the Plan. It is yet too early to give any indication of the size of the district plan, but it may not be unrealistic, if the outlay expected of the Government over the villagers' basic needs in each district, is of the order of Rs. 2 to 3 crores for the five-year period. To this sum will be added the villagers' contribution in cash and kind and the portion of the outlay on larger works planned at the State and Central level, and we may arrive at Total District Plans of the size of Rs. 10 to 15 crores. Let us hope that the outlay of this magnitude over a period of five years will make a visible impression on the economy of our countryside.

The targets for the new Plan under the various nation-building departments are getting ready. On electricity, our target is to accelerate rural electrification to cover at least 1,000 villages per year. Large blocks of additional power will be required for this purpose and therefore, the Periyar and the Kundah Hydro-electric projects should be completed soon. The large quantities of seasonal power which we could generate during the irrigation season should be firmed up by a big thermal plant based on Neiveli lignite. The plan for the electricity department may run up to about Rs. 80 crores. On the side of Irrigation, we are almost at the end of our resources in respect of dependable water sources. A few medium-sized works like the Kattalai and Pullambadi channel schemes in Tiruchirappalli, the Thoppiar scheme in Salem, the Kanhirapuzha scheme in Malabar and a few others are being considered. The main emphasis of our irrigation programme should be on a large number of small works wherever water is available, on the renovation of the existing tank system, and also on tapping the underground water resources, where conditions are favourable. We may hope to spend about Rs. 100 to 150 lakhs on these minor works in each year of the Plan period. A target of about Rs. 25 crores is all that we can hope to reach on irrigation during the period. In the field of agriculture and rural development, we may extend the National Extension Service over the whole State early in the Plan period. This ameliorative measure coupled with the villagers' programme already mentioned, should bring in a fair measure of prosperity and contentment to our rural masses. Regarding Industries, the

Lignite project is well in sight as a Central enterprise. The possibility of using lignite for a steel Plant is still being examined. We are also pressing for the location of Heavy Electrical Industry in the South and let us hope something will come out of these speculations. For rapid industrial development and for providing employment opportunities to the rural masses, we must necessarily turn to small-scale and cottage industries, well dispersed in the countryside. Even with the recent stress on the socialization of the means of production, this is a field where private ènterprise has to play a considerable part. The primary function of the State in this field can only be to create conditions under which local initiative can play its full part. Our rural electrification programme will certainly help, but we have to think in a large way, how the necessary climate can be produced in quick time. The Planning bodies which we propose to set up in the districts may give us useful suggestions as to the kind of small industries which could be started in their areas. The industries selected must be capable of absorbing the spare time of agriculturists in between the crop seasons. The State may assist with technicians, capital and marketing facilities. The Government are now considering how the rules governing State Aid to Industries may be liberalized even at some measure of risk. We may set up industrial Co-operatives under Government supervision to manufacture articles of common use such as agricultural implements and household utensils. We may also start Industrial workshops in every district with a view to train skilled craftsmen like blacksmiths, carpenters, masons, cobblers and other skilled workers to be absorbed in rural industries. Hon'ble Members are aware of the steps now being taken to stabilise the handloom industry. The Government's efforts have been mainly towards enrolling weavers into the co-operative fold, effecting improvements in their technique and ensuring them a reasonably protected internal market. The new plan should provide for a further intensification of these efforts, so that this major cottage industry could be placed on a stable basis. It is true that we have not been able to do much so far, in the field of small-scale and cottage industries and I shall welcome suggestions from Hon'ble Members as to how and where we should begin.

The broad outlines of the second Plan may be expected to take shape by October, and the House will have an opportunity of discussing them before the proposals are finalised and forwarded to the Planning Commission. Meanwhile, Hon'ble Members have a part to play by helping to mobilize opinion in the villages of their respective constituencies, and I hope all Members will join in this task with enthusiasm.

20. Before I conclude, let me place on record our deep gratitude to the Union Finance Minister and the Members of the Planning Commission for the advice and consistent support they have extended to us during the year in all our financial difficulties. I should be failing in my duty if I do not mention the good work done by the Finance Secretary Sri T. A. Varghese and his assistants in the department. Let us offer our grateful thanks and appreciation to all of them. Conclusion.

With these observations, Sir, I present the Budget Estimates for 1955-56 for consideration and acceptance by the House.

MADRAS, C. SUBRAMANIAM,
26th February 1955. *Finance Minister.*

APPENDIX I.

[The figures for the years 1938–39 to 1952–53 relate to the Composite Madras State and the figures for the subsequent period relate to the Present Madras State. The actuals for 1953–54 (First six months) which are not given here will be found in the Budget Memorandum.]

Revenue and Expenditure on Revenue Account of the Madras State.

A. REVENUE.

Major heads.	1938–9.	1946–7.	1947–8.	1948–9.	1949–50.	1950–1.	1951–2.	1952–3.	1953–4 (Second six months).	1954–5. Budget Estimate.	1954–5. Revised Estimate.	Budget Estimate, 1955–6.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
Union Excise Duties ..	..	..	..	..	..	..	..	2,88·75	80·50	1,79·46	1,66·49	1,83·59
Taxes on income other than Corporation tax.	22·50	4,48·05	5,35·32	8,42·22	8,23·32	8,29·15	9,15·43	9,42·44	3,06·76	5,58·11	5,67·38	5,50·00
Estate Duty	..	..	..	..	..	..	..	..	..	..	9·51	24·72
Land Revenue— Gross receipts including portion due to irrigation.	7,00·78	8,53·19	8,08·42	7,68·79	8,12·09	9,50·71	9,20·58	8,70·85	4,45·70	5,95·00	6,36·30	6,36·35
Excise	3,72·23	14,67·99	10,69·18	3,66·54	58·82	55·28	40·74	47·26	12·42	21·04	24·89	24·49
Stamps	1,73·37	4,37·74	3,35·92	4,05·57	4,32·68	4,88·49	4,54·27	4,51·88	1,49·59	3,00·00	3,00·12	3,10·02
Forest	45·63	1,61·39	1,82·81	1,59·57	1,65·70	1,88·56	2,08·92	1,58·17	57·19	1,10·40	1,44·93	1,34·91
Registration	32·70	75·96	78·90	86·55	95·47	1,07·97	1,09·59	1,01·03	27·64	80·00	61·73	61·52
Receipts under Motor Vehicles Acts.	81·22	1,31·11	1,66·64	1,97·45	3,00·73	3,48·74	3,90·14	4,25·95	1,69·11	3,40·00	3,48·51	3,49·01
Other taxes and duties— General sales Tax ..	..	6,95·90	8,31·26	13,03·01	15,24·35	15,86·87	15,59·10	13,23·18	4,12·46	9,50·00	8,75·00	9,20·00
Other items ..	3·19	1,49·38	1,98·52	2,29·32	2,85·54	3,08·61	3,62·50	3,78·67	1,22·08	2,64·60	2,46·79	2,45·55
Total ..	3·19	8,45·28	10,29·78	15,32·33	18,09·89	18,95·48	19,21·60	17,01·85	5,34·54	12,14·60	11,21·79	11,65·55
Irrigation— Direct receipts * ..	6·31	12·82	11·88	12·06	13·78	14·29	10·11	15·52	3·05	4·73	5·94	5·71
Deduct—Working expenses.	— 38·39	— 79·38	— 91·08	— 1,03·44	— 1,17·86	— 1,14·94	— 1,20·39	— 1,65·55	— 2·90	— 38·37	— 51·16	— 51·91
Net receipts ..	— 32·08	— 66·56	— 79·20	— 91·38	— 1,04·08	— 1,00·65	— 1,10·28	— 1,50·03	0·15	— 33·64	— 45·22	— 46·20

Irrigation—												
Direct receipts * ..	1·99	3·02	2·80	3·09	4·23	4·54	3·30	3·31	0·90	2·01	2·07	1·99
Interest	19·73	1,24·43	79·95	93·72	91·73	77·07	52·22	19·24	28·03	40·77	48·26	45·23
Administration of Justice.	15·39	48·92	72·51	73·12	80·99	84·55	84·48	78·25	20·47	52·75	43·94	44·00
Jails and Convict Settlements.	5·98	13·93	13·21	15·99	22·05	20·98	26·67	31·97	8·48	26·87	24·80	24·95
Police	5·66	15·76	13·79	19·51	27·28	26·86	29·32	28·74	8·16	15·08	15·95	16·14
Ports and Pilotage ..	44·67	..	— 47·08	..	..	..	..	..	..	..	..	..
Education	8·35	27·58	32·63	30·29	42·54	31·90	54·23	38·71	16·61	40·00	71·57	77·39
Medical	10·25	17·81	20·35	23·33	23·08	27·07	26·34	24·67	10·11	18·61	20·53	20·58
Public Health ..	2·59	5·95	5·49	7·79	6·34	7·55	9·01	7·79	1·84	5·55	7·76	9·11
Agriculture	3·12	30·05	22·64	23·86	35·30	1,18·24	1,16·60	(a) 1,35·28	43·08	(a) 1,08·16	(a) 99·52	(a) 93·82
Veterinary	1·02	3·62	2·73	3·50	5·30	5·93	7·86	8·83	2·57	4·66	6·61	6·00
Co-operation	4·18	7·68	8·89	12·28	18·82	26·45	18·83	22·74	7·25	28·05	55·00	19·30
Industries	18·85	60·96	72·49	75·81	77·82	1,20·39	1,19·78	1,07·95	40·97	1,20·36	98·84	1,11·70
Miscellaneous departments.	7·62	15·01	17·14	20·68	25·64	42·61	41·33	48·76	23·92	32·87	45·63	44·59
Civil Works	25·12	66·31	1,11·25	86·34	1,15·54	1,06·47	1,07·24	1,43·38	36·90	70·27	1,01·63	1,33·07
Receipts from Electricity Schemes (Gross).	42·51	1,25·14	1,83·89	2,71·22	3,21·41	3,77·61	4,71·20	5,16·76	2,55·42	5,25·92	5,89·80	6,44·60
Deduct—Working expenses.	— 24·81	— 72·24	— 1,21·93	— 1,86·10	— 2,20·19	— 2,33·13	— 3,47·88	— 4,12·09	— 1,35·25	— 3,18·76	— 3,33·25	— 3,24·70
Net receipts	17·70	52·90	61·96	85·12	1,01·22	1,44·48	1,23·32	1,04·67	1,20·17	2,07·16	2,56·55	3,19·90
Receipts in aid of superannuation.	2·88	6·46	7·39	4·80	5·07	5·96	5·90	6·35	1·87	3·10	11·72	11·08
Stationery and Printing.	3·96	13·04	13·75	13·44	33·67	16·90	19·54	14·79	4·72	18·84	14·66	13·97
Miscellaneous—												
Gross Receipts from Bus Service (b).	..	..	23·35	95·88	..	..	..	..	..	..	..	..
Other items ..	14·58	87·53	93·54	92·40	1,39·22	1,65·52	1,04·42	92·14	(e) 1,02·92	1,80·37	84·73	67·08
Total ..	14·58	87·53	1,16·89	1,88·28	1,39·22	1,65·52	1,04·42	92·14	1,03·92	1,80·37	84·73	67·08

* Excludes land revenue.

A. REVENUE—*cont.*

Major heads.	1938–9.	1946–7.	1947–8.	1948–9.	1949–50.	1950–1.	1951–2.	1952–3.	1953–4 (Second six months).	1954-5. Budget Estimate.	1954-5. Revised Estimate.	Budget Estimate, 1955-6.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
Receipts from Road Transport Schemes—Gross Receipts (c).	..	..	..	..	1,04·06	1,16·68	1,18·87	1,24·95	67·34	1,43·14	1,41·17	1,43·79
Working expenses (c)	..	..	..	..	— 91·87	— 1,00·84	— 1,10·20	— 1,20·37	— 59·50	— 1,25·95	— 1,18·30	— 1,22·93
Net receipts ..	..	..	..	..	12·19	15·84	8·67	4·58	7·84	17·19	22·87	20·86
Grants-in-aid from the Central Government.	..	..	..	..	..	..	4·00	8·61	·95	0·40	3·00	3·00
Miscellaneous adjustments between Union and State Governments.	0·27	0·14	0·10	0·21	0·22	0·20	0·25	0·38	·81	0·13	·14	·13
Extraordinary Receipts.	..	2,36·47	2,98·05	2,79·25	3,26·22	2·69	1,18·62	74·05	29·80	1,01·66	69·19	11·55
Transfer from Revenue Reserve Fund.	..	5,06·00	..	5·00	..	..	..	..	..	..	..	..
Receipts from Community Development Projects, National Extension Service and Local Development Works (d).	..	..	..	..	..	..	..	..	..	..	77·52	1,37·63
Civil Defence ..	..	7·22	15·45	0·47	0·40	0·41	4·59	— 1·02	..	..	..	..
Estimated receipts from new taxation measures.	..	..	..	..	..	..	..	..	..	40·00	..	1,65·00
Grand total ..	16,13·45	57,05·02	50,70·15	53,33·52	55,89·49	58,16·34	59,38·50	58,42·32	23,01·97	44,99·83	45,18·72	47,92·07

(*a*) Includes fishery receipts which were shown under "Industries" in previous years.

(*b*) The receipts are shown under "Receipts from Road Transport Schemes" from 1949–50.

(*c*) Prior to 1949–50, the receipts were included under the revenue head "Miscellaneous" and the Working Expenses were shown under the expenditure head "Miscellaneous".

(*d*) The receipts were shown under other heads—"Miscellaneous" and "Extraordinary Receipts" up to the end of 1953–4 and in the Budget Estimate, 1954–5.

(*e*) Includes Rs. 69·56 lakhs transferred from the Contingency Fund in accordance with Act II of 1954.

B. EXPENDITURE ON REVENUE ACCOUNT.

Land Revenue ..	25·36	27·12	28·98	37·44	40·42	46·10	84·52	84·33	37·69	76·42	83·24	82·44
Excise	32·18	53·09	59·44	69·04	77·24	79·79	84·86	80·47	19·23	41·09	37·52	6·10
Stamps	4·72	18·23	21·04	21·16	23·05	25·25	24·10	25·13	7·60	13·84	12·95	12·95
Forest	40·17	80·15	86·29	79·10	79·26	74·81	80·35	90·34	29·76	68·72	65·95	67·63
Registration	29·13	43·75	48·62	51·86	50·83	52·19	53·57	54·01	16·28	39·44	39·06	40·44
Charges on account of Motor Vehicles Acts—Payment to local bodies.	72·77	75·89	90·81	95·56	90·27	90·34	90·89	92·89	34·82	65·69	67·91	67·05
Other departmental expenditure.	2·29	4·78	5·66	6·11	6·59	8·50	9·89	11·13	4·10	8·82	9·11	9·33
Other taxes and duties—Payment to local bodies.	..	43·51	57·80	83·79	97·72	1,01·94	1,12·48	1,06·22	29·63	63·73	61·61	60·69
Other departmental expenditure.	·64	25·21	29·23	35·68	43·03	45·45	48·83	52·91	18·44	40·22	43·29	43·68
Irrigation—Interest on works for which capital accounts are kept.	87·59	91·23	95·71	1,04·15	1,19·15	1,42·21	1,75·31	2,17·97	62·65	1,54·37	1,43·78	1,71·64
Irrigation—Other revenue expenditure financed from ordinary revenues.	39·09	93·94	1,28·06	1,43·57	1,49·42	1,43·25	1,45·83	1,68·29	54·37	86·37	97·95	93·81
Construction of irrigation, etc., works.	1·25	0·63	2·60	4·07	5·80	3·29	0·61	·24	..	..	..	..
Interest on debt and other obligations.	58·54	78·52	81·96	1,00·04	1,09·39	1,23·66	1,45·66	2,04·39	98·80	1,95·00	1,98·21	2,23·38
Deduct—Interest transferred to Commercial Departments.	— 1,07·54	— 1,31·53	— 1,47·82	— 1,73·58	— 2,13·18	— 2,65·54	— 3,33·49	— 4,19·45	— 1,44·78	— 3,49·31	— 3,41·77	— 4,14·77
Net amount met out of ordinary revenues.	— 49·00	— 53·01	— 65·86	— 73·54	—1,03·79	— 1,41·88	— 1,87·83	— 2,15·06	— 45·98	— 1,54·31	— 1,43·56	— 1,91·39
Appropriation for reduction or avoidance of debt.	5·13	57·00	1,42·78	69·68	75·47	75·68	1,02·30	1,06·01	23·23	62·00	46·23	45·05
General administration.	2,76·76	6,13·86	5,60·40	5,82·05	6,26·32	6,54·90	7,41·34	7,24·47	2,05·36	4,86·87	4,66·10	3,92·59

B. EXPENDITURE ON REVENUE ACCOUNT—*cont.*

Major heads.	1938–9.	1946–7.	1947–8.	1948–9.	1949–50.	1950–1.	1951–2.	1952–3.	1953–4 (Second six months).	1954–5. Budget Estimate.	1954–5. Revised Estimate.	Budget Estimate, 1955–6.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
Administration of Justice.	90·63	1,42·42	1,45·64	1,50·03	1,58·34	1,65·56	1,76·09	1,84·47	54·86	1,28·23	1,19·29	1,27·66
Jails and convict settlements.	23·22	65·78	79·63	1,10·22	1,18·52	1,20·37	1,33·85	1,42·68	52·07	1,01·83	98·97	99·47
Police	1,60·96	4,05·71	4,64·81	6,51·97	6,89·89	6,98·89	7,37·42	7,16·88	2,03·41	4,50·42	4,63·40	4,86·85
Ports and Pilotage ..	..	4·56	..	0·01	..	..	..	..	..	..	..	..
Scientific Departments.	0·96	1·21	1·37	1·52	1·58	1·64	2·45	2·31	·99	2·32	2·35	2·31
Education	2,61·98	5,90·27	7,03·70	8,85·94	9,58·41	10,42·65	11,01·10	11,96·02	5,23·20	8,54·28	9,14·96	10,19·62
Medical	98·14	2,15·93	2,38·50	2,76·54	2,96·18	3,14·87	3,53·12	3,80·34	1,39·56	2,93·66	2,98·76	3,13·89
Public Health ..	26·57	87·32	(*a*) 1,90·55	90·54	(*b*) 1,14·42	1,04·06	1,65·11	2,05·71	43·87	91·18	88·88	1,27·28
Agriculture	20·62	1,05·74	1,16·93	1,26·74	1,82·74	2,75·35	3,16·49	2,60·07	75·59	(*c*) 2,22·86	(*c*) 2,02·34	(*c*) 1,67·24
Veterinary	12·85	26·95	31·81	40·58	49·67	56·69	62·98	60·63	17·37	35·66	41·67	44·06
Co-operation ..	13·82	44·33	42·69	53·41	73·64	76·48	76·39	77·81	23·29	62·49	95·18	56·74
Industries	27·54	96·60	1,12·71	1,20·30	1,29·00	1,57·46	2,01·67	1,87·93	79·32	1,75·44	1,64·92	1,49·07
Capital outlay on Industrial Development.	..	..	0·02	0·06	0·32	0·25	0·39	·30	·59	..	·04	·42
Aviation	..	..	..	..	0·59	·75	·43	·35	·24	·40	·46	·50
Miscellaneous departments (*d*).	21·11	87·50	1,19·82	1,15·55	1,31·99	1,49·34	1,67·29	1,72·77	94·30	1,66·30	1,86·86	1,91·11
Civil Works	1,19·70	3,97·72	4,66·69	5,88·84	7,30·05	8,27·83	7,62·56	9,34·46	2,34·48	3,76·34	4,69·71	5,21·73

Interest on capital outlay on Electricity Schemes.	18·92	39·45	49·92	66·92	87·41	1,14·36	1,48·81	1,89·00	77·15	1,[illegible]38	1,88·06	2,31·81
Other revenue expenditure connected with Electricity Schemes.	..	2·32	2·92	0·11	— 0·34	8·47	3·22	5·87	·75	3·27	— ·98	— 1·27
Famine	16·04	20·38	3·80	4·75	25·03	8·00	13·86	51·56	16·24	6·00	8·63	6·50
Privy purses and allowances of Indian Rulers.	..	..	..	..	..	1·94	2·04	12·48	·48	1·01	1·51	1·01
Superannuation allowances and Pensions.	97·12	1,43·30	1,57·53	1,56·36	1,65·44	1,85·24	1,96·75	2,09·25	73·14	1,33·68	1,46·76	1,49.05
Commutation of pensions.	..	2·68	1·83	4·37	8·13	9·59	17·18	17·47	5·33	11·71	12·98	12·35
Stationery and Printing.	27·07	51·66	49·42	71·98	94·51	87·10	1,05·10	1,02·14	55·01	54·18	78·93	65·73

(*a*) Includes Rs. 100 lakhs representing contribution to the Rural Water-Supply Fund.

(*b*) Includes Rs. 10 lakhs representing contribution to the Rural Water-Supply Fund.

(*c*) Includes the expenditure of the Fisheries department, previously shown under " Industries ".

(*d*) Includes expenditure on Harijan Uplift, Labour and other items. The details of expenditure under Harijan Uplift are shown below :—

Gross expenditure on Harijan Welfare including concessions to Backward classes.	..	35·29	41·38	63·75	82·44	1,00·46	1,23·47	1,33·95	62·40	90·40	1,04·38	1,09·31
Amount met from the Fund for Village Reconstruction and Harijan Uplift.	..	..	— 1·81	— 4·10	— 18·44	— 36·46	— 52·70	— 61·36	*	*	*	*
Net amount ..	..	35·29	39·57	59·65	64·00	64·00	70·77	72·59	62·51	90·40	1,04·38	1,09·31

* As the amount in the Village Reconstruction and Harijan Uplift Fund had been practically exhausted, the entire expenditure on Harijan Uplift is being met from the general revenues from 1953–4.

B. EXPENDITURE ON REVENUE ACCOUNT—*cont.*

Major heads.	1938–9.	1946–7.	1947–8.	1948–9.	1949–50.	1950–1.	1951–2.	1952–3.	1953–4 (Second six months).	1954–5. Budget Estimate.	1954–5. Revised Estimate.	Budget Estimate, 1955–6.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
Miscellaneous—												
Expenditure on Bus Service.	..	..	12·44	90·31	*	*	*	*	*	*	*	*
Other items	4·39	5,21·98	1,06·86	1,33·24	43·58	29·76	26·58	26·27	(*f*) 85·51	14·29	16·71	95·36
Extraordinary charges—Net outlay on State Trading Schemes transferred to the Revenue Account.	..	12,20·77	− 16·04	2,03·63	(*e*)	(*e*)	(*e*)	(*e*)	(*e*)	(*e*)	(*e*)	(*e*)
Other items ..	..	2,15·90	1,84·53	78·61	1,13·41	1,06·29	99·99	70·13	11·11	27·79	17·95	9·66
Total ..	..	14,36·67	1,68·49	2,82·24	1,13·41	1,06·29	99·99	70·13	11·11	27·79	17·95	9·66
Community Development Projects, National Extension Service and Local Development Works.	..	..	..	..	..	..	..	34·38	10·37	66·88	1,18·31	1,78·32
Transfer to Revenue Reserve Fund.	..	..	4,90·00	..	..	..	..	..	..	..	..	..
Civil Defence	..	38·79	20·29	1·17	0·72	0·45	0·05	0·08	..	·01	..	..
Grand total ..	16,09·72	57,04·65	50,69·93	53,33·42	55,54·01	59,45·21	64,34·96	68,40·71	23,75·41	45,17·88	47,67·79	49,58·18
Final Revenue Surplus (+) or Deficit (−).	+ 3·72	+ 0·37	+ 0·22	+ 0·10	+ 35·48	− 1,28·87	− 4,96·46	−9,98·39	− 73·44	− 18·05	− 2,49·07	− 1,66·11

(*e*) Shown under Capital Account. The figures are: −4,49·11 (1949–50); 1,38·13 (1950–1); 2,54·38 (1951–2); 10,56·06 (1952–3); 4,58·06 (1953–4); − 67·64 (11); − 5,42·57 (12); − 54·22 (13).

(*f*) Includes Rs. 75·00 lakhs transferred to the Contingency Fund.

* Working Expenses of the Madras City Bus Service are taken in deduction of the receipts from 1949–50.

APPENDIX II.

[The figures for the years 1946–47 to 1953–54 (first six months) relate to the Composite Madras State and the figures for the subsequent period relate to the present Madras State.]

DETAILS OF CAPITAL EXPENDITURE.

Description of the scheme.	Approximate estimated cost.	1946–7 to 1948–9.	1949–50.	1950–1.	1951–2.	1952–3.	1953–4. (First six months.)	1953–4. (Second six months.)	Total. 1946–7 to 1953–4.	1954–5. Budget Estimate.	1954–5. Revised Estimate.	Budget Estimate, 1955–6.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
A. IRRIGATION, NAVIGATION, ETC., SCHEMES.												
Lower Bhavani Project	9,96·00	31·23	1,62·05	2,55·99	2,70·20	2,35·76	51·00	4·04	10,10·27	8·61	11·09	6·65
Mettur Canals Scheme.	2,67·00	..	5·07	13·39	28·68	27·38	10·00	18·77	1,03·29	81·90	48·30	29·87
Malampuzha Project ..	4,42·00	..	18·40	60·93	87·82	95·35	31·61	42·15	3,36·26	77·05	68·73	24·22
Manimuthar Project ..	3,98·00	..	..	6·09	21·13	51·44	38·60	70·02	1,87·28	1,58·34	1,12·07	1,25·35
Araniar Project ..	1,04·00	..	..	..	0·93	7·19	4·22	4·17	16·51	31·36	14·77	49·54
Walayar Project ..	1,00·00	..	..	..	0·20	0·24	4·12	20·56	25·12	51·99	48·25	39·46
Mangalam Project ..	85·00	..	..	..	0·37	1·25	1·10	7·65	10·37	21·78	21·51	35·25
Amaravathi Project ..	2,97·00	..	..	..	..	..	..	4·14	4·14	46·35	43·00	98·41
Vaigai Reservoir Project.	3,00·00	..	..	..	..	..	..	·59	·59	36·60	35·92	68·39
Sathanur Project ..	2.89·00	..	..	..	..	..	..	..	..	..	11·85	1,01·50
Krishnagiri Project ..	1,84·00	..	..	..	..	..	..	..	..	..	2·00	40·00
Works under the special minor irrigation programme including Tank Improvement Scheme.	..	..	..	1,05·53	85·63	98·35	13·46	14·68	3,17·65	81·82	75·46	1,25·00
Other Irrigation Schemes (Productive and Unproductive).	(a)	32·00	19·91	62·72	83·60	68·43	12·92	— 4·18	2,75·40	12·37	1·90	2·25
Irrigation Projects transferred to Andhra and Mysore States.		3,95·63	2,71·30	2,57·34	3,70·84	4,27·66	1,51·20	(b)	18,73·97	(b)	(b)	(b)
pro-rata charges on Establishments and Tools and Plant.		8·26	1·75	7·07	5·40	3·25	3·12	1·86	30·71	0·29	·56	·03
Transfer from the Deposit Account of Procurement Bonus given by the Government of India.		..	..	— 1,06·57	..	..	..	..	— 1,06·57	..	..	..
Total		4,67·12	4,78·48	6,62·49	9,54·80	10,16·30	3,21·35	1,84·45	40,84·99	6,08·46	4,95·41	7,45·92

(a) Consists of several works some of which have been completed, while others are in progress. Hence no estimated cost is given.

(b) Does not relate to the present Madras State.

DETAILS OF CAPITAL EXPENDITURE—*cont.*

Description of the scheme.	Approximate estimated cost.	1946-7 to 1948-9.	1949-50.	1950-1.	1951-2.	1952-3.	1953-4. (first six months.)	1953-4. (second six months.)	Total, 1946-7 to 1953-4.	1954-5. Budget Estimate.	1954-5. Revised Estimate.	Budget Estimate, 1955-6.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
B. CAPITAL OUTLAY ON ELECTRICITY SCHEMES.												
Moyar Hydro-Electric Scheme.		1,29·31	54·68	74·72	67·51	8·76	10·92	0·29	3,56·19	3·13	19·58	12·39
Pykara Hydro-Electric Scheme.		1,33·19	82·01	1,18·98	91·49	1,35·21	1,03·34	96·88	7,61·10	2,04·86	2,27·38	1,87·39
Mettur Hydro-Electric Scheme.		1,48·92	65·49	1,01·82	1,00·18	74·76	46·27	35·23	5,72·67	1,00·80	1,66·94	3,43·37
Papanasam Hydro-Electric Scheme.		1,07·72	66·09	58·97	68·07	99·22	32·96	42·43	4,75·46	85·42	1,35·06	1,58·71
Periyar Hydro-Electric Scheme.	10,48·00	..	..	..	..	..	..	..	..	30·00	17·09	1,09·17
Madras-Thermal Electric System.		2,14·83	84·40	1,76·78	1,07·31	1,25·35	73·34	64·22	8,46·23	68·73	1,44·43	2,71·40
Other Minor Schemes.		6·12	6·67	31·68	..	17·61	..	..	62·08	..	..	..
Schemes transferred to Andhra and Mysore States.		2,10·07	1,94·51	1,74·50	3,71·43	3,10·75	3,07·82	(a)	15,69·08	(a)	(a)	(a)
Lump-sum provision for payment of compensation for acquisition of electrical undertakings of local authorities and private companies.		..	..	..	·36	17·60	0·01	—53·41	—34·94	2·62	2·74	57·62
Total ..		9,50·16	5,63·85	7,37·45	8,06·85	7,89·26	5,74·66	1,85·84	46,07·87	4,95·56	7,13·22	11,40·05

(*a*) Does not relate to the present Madras State.

C. INDUSTRIAL DEVELOPMENT SCHEMES.

Cinchona Plantations.	44·98	21·52	12·44	8·53	8·04	..	2·89	98·40	3·08	7·00	3·00
Kerala Soap Institute.	..	..	..	0·04	0·26	0·23	·82	1·35	..	·29	..
Madras Industrial Engineering Workshop.	..	·02	..	..	..	..	..	0·02	..	..	..
Fish Liver Oil Industry.	..	·05	0·05	0·20	0·06	..	..	0·36	0·28	·06	·58
Madras Vegetable Ghee Factory.	2·95	4·25	3·16	1·30	5·22	0·37	·38	17·63	0·26	·38	·05
Government Silk Filatures.	..	1·36	0·14	2·04	0·78	0·08	·05	4·45	0·50	·59	..
Polytechnics (Buildings and Tools and Plant).	..	9·58	2·47	22·25	15·99	3·95	6·97	61·21	5·70	7·69	3·66
Artesian Wells ..	..	..	9·80	4·55	2·59	0·34	0·11	17·39	..	..	..
Shares in Fertilisers and Chemicals, Limited, Travancore.	20·00	..	1·00	..	..	..	..	21·00	..	..	..
Purchase of additional machinery for the Government Press, Madras.	..	..	..	..	..	..	..	..	..	..	5·03
Shares in Madras Industrial Investment Corporation, Madras.	51·00	..	51·00	..	..	..	..	1,02·00	..	..	20·00
Other Shares	..	..	2·40	— ·90	..	..	..	1·50	..	..	..
Ceramic Industry ..	·02	0·16	..	0·01	1·87	0·90	..	2·96	..	..	..
Andhra Paper Mills ..	25·35	..	0·43	·14	0·04	0·15	*	26·11	*	*	*
Total ..	1,44·30	36·94	82·89	38·16	34·85	6·02	11·22	3,54·38	9·82	16·01	32·32

D. CAPITAL OUTLAY ON ROAD TRANSPORT SCHEMES.

Madras City Bus Service.	60·09	12·95	8·83	— 4·32	10·37	9·92	·48	98·32	29·38	34·20	15·01

E. CAPITAL OUTLAY ON CIVIL WORKS.

Buildings	53·97	61·09	84·51	1,14·42	1,04·75	37·16	28·99	4,84·89	83·54	61·91	1,04·30

F. COMPENSATION TO ZAMINDARS.

Advance Compensation and Interim Payments.	..	1,32·16	1,17·87	2,03·09	85·18	37·55	10·30	5,86·15	35·00	30·50	22·00

* Does not relate to the present Madras State.

APPENDIX III.

STATEMENT SHOWING THE DEBT POSITION.

A. Loans raised by the Composite State of Madras, i.e., before the 1st October 1953.

I. OPEN MARKET LOANS.

When issued.	Description of loan.	Total amount issued.	Amount outstanding on 30th September 1953.	Amount outstanding on 31st March 1954.
(1)	(2)	(3)	(4)	(5)
		RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
September 1937 and September 1940.	3% Loan, 1952, I and II issues.	2,33·54	0·80	0·59
September 1938	3% Loan, 1953 ..	1,51·29	15·20	1·42
June 1939	3% Loan, 1959 ..	1,50·00	1,23·96	1,23·96
September 1942	3% Loan, 1955 ..	1,25·00	1,23·25	1,23·25
September 1943	3% Loan, 1956 ..	1,25·10	1,25·10	1,25·10
August 1944	3% Loan, 1958 ..	1,10·00	1,07·95	1,07·95
September 1945	3% Loan, 1960 ..	3,00·00	2,78·44	2,78·44
September 1946	2¾% Loan, 1961 ..	4,09·30	3,81·77	3,81·77
July 1950	3% Development Bonds, 1960.	4,39·75	4,38·25	4,38·25
September 1951	3½% Loan, 1962 ..	3,01·49	3,01·49	3,01·49
August 1952	4% Loan, 1964 ..	5,24·81	5,24·81	5,24·81
July 1953	4% Loan, 1963 ..	10,33·04	10,33·04	10,33·04
	Total, I ..	39,03·32	34,54·06	34,40·07

NOTE.—The figures relating to the 4 per cent Loan, 1963 are not final, as some treasuries have not yet reconciled their figures with those of the Public Debt Office of the Reserve Bank.

When obtained and description of loan.	Total amount.	Amount outstanding on 30th September 1953.	Amount outstanding on 31st March 1954.	Remarks.
(1)	(2)	(3)	(4)	(5)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	
II. LOANS FROM THE CENTRAL GOVERNMENT.				
(1) Pre-autonomy consolidated debt (1st April 1937).	7,56·71	3,11·89	3,09·14	The Madras Government's debt to the Government of India after certain adjustments amounted to Rs. 7,56·71 lakhs on 1st April 1937. This debt was consolidated into a 4½ per cent loan and made repayable by 1981–82 by half-yearly equated instalments.
(2) Post-autonomy debt—				
1947–48	..	6,00·00	6,00·00	These are loans given by the Government of India for capital expenditure on Irrigation and Electricity Schemes when the Madras Government did not raise any market loan. Interest is payable half-yearly at 2-7/8 per cent per annum. The principal is repayable after 15 years in each case.
1948–49	..	3,00·00	3,00·00	
1950–51—				
Fisheries Programme—				
For giving a loan to the South Madras Fishermen Co-operative Society.	1·33	..	..	As there was no likelihood of the loan being utilized for the purpose, it was repaid to the Government of India in full with interest at 3¼ per cent per annum in October 1951.
Tractor Reclamation.	30·00	30·00	30·00	Loans given by the Government of India in connexion with the Intensive Cultivation Schemes. Interest at 3¼ per cent per annum is payable half-yearly. Principal is repayable after 15 years.
Oil Engines, Electric Motors, etc., Hire purchase.	20·00	20·00	20·00	
Oil Engines, Electric Motors, etc., Hire purchase.	40·00	40·00	40·00	Loans given in connexion with the Intensive Cultivation Schemes. Interest at 3-3/8 per cent per annum is payable half-yearly. Principal is repayable after 15 years.
P.W.D. Irrigation and Tank Improvement Schemes.	45·00	45·00	45·00	
Purchase of cotton seeds from Madhya Pradesh for expansion of cotton cultivation.	10·00	..	..	The loan was free of interest and the principal was repaid on the 31st March 1952.
1951–52—				
Purchase and distribution of manure to the ryots.	1,00·00	..	..	This was a short-term loan repaid on the 31st March 1952.

When obtained and description of loan.	Total amount.	Amount outstanding on 30th September 1953.	Amount outstanding on 31st March 1954.	Remarks.
(1)	(2)	(3)	(4)	(5)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	
II. LOANS FROM THE CENTRAL GOVERNMENT—*cont.*				
(2) Post-autonomy debt—*cont.*				
1951–52—*cont.*				
To finance capital expenditure on Tungabhadra and Lower Bhavani Projects.	6,00·00	6,00·00	6,00·00	Loan from the Special Development Fund. Repayable by annual equated instalments commencing from 1955 and ending in 1961. For the first three years, i.e., 1952–53, 1953–54 and 1954–55, interest alone at 3½ per cent per annum is to be paid.
P.W. Irrigation Schemes.	23·00	21·83	20·62	Repayable in fifteen annual equated instalments with interest at 3¾ per cent per annum.
River Pumping Schemes.	9·00	8·23	7·44	Repayable in ten annual equated instalments with interest at 3½ per cent per annum.
Tractor Cultivation Schemes.	13·00	11·89	10·74	(Repayable in ten annual equated instalments with interest at 3½ per cent per annum.)
Purchase and distribution of oil engines and electric motor pump sets.	12·00	9·75	7·43	Repayable in five annual equated instalments with interest at 3¼ per cent per annum.
Industrial Housing Schemes.	9·00	..	..	This loan was free of interest and repayable after 25 years. As, however, the industrial concerns which applied for the loans dropped out of the scheme, preferring another scheme sponsored by the Government of India, the loan was repaid in 1952–53.
1952–53—				
Purchase and distribution of manure to the ryots.	1,00·00	..	..	This was a short-term loan repaid with interest at 3 per cent on 31st March 1953.
Purchase of cotton seeds from Madhya Pradesh for expansion of cotton cultivation.	10·00	..	..	This loan was free of interest and was repaid on 31st March 1953.
To finance capital expenditure on Tungabhadra, Lower Bhavani and Malampuzha Irrigation Projects.	7,34·00	7,34·00	7,34·00	Loan from the Special Development Fund. Repayable in annual equated instalments commencing from 1955 and ending in 1961. For the first two years 1953–54 and 1954–55, interest alone at 4 per cent per annum is to be paid.

When obtained and description of loan.	Total amount.	Amount outstanding on 30th September 1953.	Amount outstanding on 31st March 1954.	Remarks.
(1)	(2)	(3)	(4)	(5)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	

II. LOANS FROM THE CENTRAL GOVERNMENT—*cont.*

(2) Post-autonomy debt—*cont.*				
1952–53—*cont.*				
To finance famine relief expenditure.	2,00·00	2,00·00	1,83·34	Repayable in 20 annual equated instalments with interest at 4 per cent per annum.
For being re-lent to the Madurai Municipality for extension of the Madurai Municipal sewage farm.	2·26	2·01	2·01	Repayable in eight equated annual instalments with interest at 3-7/8 per cent per annum. (Payment due in July every year.)
P.W. Irrigation Schemes.	21·00	21·00	19·96	Repayable in fifteen annual equated instalments with interest at 4-1/8 per cent per annum.
River pumping schemes.	9·00	0·50	0·46	Repayable in ten annual equated instalments with interest at 4 per cent per annum.
Tractor Reclamation.	17·58	11·00	10·08	
Supply of oil-engines and electric motors.	36·75	25·59	23·46	
Lift irrigation schemes.	4·50	0·96	0·88	
Construction of tube-wells with filter points.	2·60	2·60	1·32	Repayable with interest at 3-1/8 per cent per annum in two equated annual instalments commencing from December 1953.
Construction of tube-wells with filter points.	15·26	15·26	13·99	Repayable in ten annual equated instalments with interest at 4 per cent per annum.
Special Minor Irrigation Schemes.	25·00	25·00	25·00	Do. (Annuity commences in March 1955.)
Scheme for urban compost.	3·52	..	..	Repaid in June 1953, as it was not utilized for the purpose for which it was sanctioned.
Loan for Community Projects — Thulyabhaga Electricity Extension Scheme, Ramachandrapuram taluk.	1·00	1·00	0·81	Repayable with interest at 3-5/8 per cent in five annual equated instalments.
Loan for being re-lent to the Agriculturists in the Periyar Community Project Area for deepening or digging of Irrigation Wells.	2·97	2·97	2·72	Repayable with interest at 4 per cent per annum in ten annual equated instalments.

When obtained and description of loan.	Total amount.	Amount outstanding on 30th September 1953.	Amount outstanding on 31st March 1954.	Remarks.
(1)	(2)	(3)	(4)	(5)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	
II. LOANS FROM THE CENTRAL GOVERNMENT—*cont.*				
(2) Post-autonomy debt—*cont.*				
1952–53—*cont.*				
Loan for Rehabilitation Schemes—For financing the educational expenditure of displaced students from Pakistan.	0·06	0·06	0·06	Repayable with interest at 3-5/8 per cent per annum in five annual equated instalments. (Repayment commences in March 1955.)
Ways and Means Advances.	17,00·00	17,00·00	17,00·00	Terms of repayment have not yet been settled.
1953–54 (first six months)—				
For financing the expenditure on Tungabhadra, Lower Bhavani and Malampuzha Projects.	1,75·00	1,75·00	1,75·00	Loan from the Special Development Fund. Repayable in seven equated annual instalments with interest at 4 per cent per annum from 1957–58. Interest alone at 4 per cent per annum is payable for the first three years 1954–55, 1955–56 and 1956–57.
Loan for famine relief measures.	60·29	60·29	60·29	Repayable in twenty annual equated instalments with interest at 4 per cent per annum.
Loans for Community Projects.	13·62	13·62	13·62	Repayable in 12 years with interest at 4 per cent per annum. Annuity commences only in September 1956.
Cotton Extension Schemes.	5·00	5·00	..	Repaid with interest at 1½ per cent per annum on 31st March 1954.
Loan for improvements to the Capital of the Andhra State. (Based on actual expenditure to end of September 1953.)	13·48	13·48	13·48	This is the liability of the Andhra State only.
Ways and Means Advances.	9,41·53	9,41·53	9,41·53	The terms of repayment have not yet been settled.
Total, II ..		59,49·46	59,12·38	

III. SPECIAL IRREDEEMABLE LOANS.

	Amount.
	RS.
1) Four bonds bearing interest at 8 per cent per annum issued between the years 1796 and 1807.	1,33,000
(2) Two bonds bearing interest at 6 per cent per annum issued in the years 1795 and 1817.	10,500
(3) A deposit bearing interest at 6 per cent per annum received in 1817 ..	41,770
(4) A deposit bearing interest at 4 per cent per annum (now treated as an Endowment for the Stanley Hospital, Madras).	66,878
Total, III ..	2,52,148 or 2·52 lakhs.

Summary.

	Total outstanding on 30th September 1953.	Total outstanding on 31st March 1954. *
(1)	(2)	(3)
	RS. LAKHS.	RS. LAKHS.
I. Open Market Loans	34,54·06	34,40·07
II. Loans from the central Government.	59,49·46	59,12·38
III. Special Irredeemable Loans ..	2·52	2·52
Total ..	94,06·04	93,54·97

* Takes into account payments made by the three Governments of Madras, Andhra and Mysore.

B. Loans raised by the present Madras Government on or after 1st October 1953.

When obtained and description of loan.	Total amount.	Amount expected to be outstanding on 31st March 1955.	Remarks.
(1)	(2)	(3)	(4)
	RS. LAKHS.	RS. LAKHS.	
1953–54 (second six months)—			
For financing the expenditure on Lower Bhavani, Malampuzha, Manimuthar, Araniar, Walayar and Mangalam Irrigation Projects.	92·00	92·00	Loan from the Special Development Fund. Repayable in seven equated annual instalments with interest at 4 per cent per annum commencing from 1957–58. Interest alone at 4 per cent per annum is payable during 1954–55, 1955–56 and 1956–57.
For financing Vaigai, Amaravathi and Mettur Canals Irrigation Schemes.	23·00	23·00	Special assistance for permanent improvements to scarcity areas. Repayable in 25 annual equated instalments with interest at 4½ per cent per annum commencing from 1959–60. Interest-free for the first five years (1954–55 to 1958–59).
For the development of Handloom Industry—			
Loan for advancing the share capital of the weavers admitted to the Co-operative Societies.	6·62	3·31	Interest-free. Repayable in two annual equal instalments.
Loan for improving designs and technique.	0·58	..	Interest-free. Repaid in November 1954.
Loan towards working Capital of Co-operative Societies.	27·34	21·19	Interest-free. Repayable in five annual equal instalments. (A sum of Rs. 0·86 lakh representing the share of the Mysore Government was refunded to the Government of India in 1954–55 in addition to the first instalment of Rs. 5·29 lakhs.
Loan for re-lending to the Madras Handloom Weavers' Co-operative Society for setting up a Co-operative Spinning Mill in Tirunelveli.	10·00	8·14	Repayable in five equated annual instalments with interest at 3-5/8 per cent per annum.
Special Minor Irrigation Schemes.	20·00	19·02	Repayable in fifteen annual equated instalments with interest at 4¼ per cent per annum commencing from February 1954.
Construction of tube-wells with filter points.	11·44	10·49	Repayable in ten equated annual instalments with interest at 4 per cent per annum commencing from February 1954.
Public Works Irrigation Schemes.	2·73	2·60	Repayable in fifteen annual equated instalments with interest at 4¼ per cent per annum.

B. Loans raised by the present Madras Government on or after 1st October 1953—cont.

When obtained and description of loan.	Total amount.	Amount expected to be outstanding on 31st March 1955.	Remarks.
(1)	(2)	(3)	(4)
	RS. LAKHS.	RS. LAKHS.	
1953–54 (second six months)—*cont.*			
Lift Irrigation Schemes ..	13·19	12·09	Repayable in ten annual equated instalments with interest at 4 per cent per annum.
Tractor Reclamation Schemes (Hire Purchase System).	4·60	4·41	Repayable in fifteen annual equated instalments with interest at 4¼ per cent per annum.
Scheme for the utilisation of urban compost.	1·67	1·36	Repayable in five annual equated instalments with interest at 3-5/8 per cent per annum.
For re-lending to the Madras Industries Association, Madras, for setting up an emporium.	1·00	0·68	Repayable in three annual equated instalments with interest at 3-5/8 per cent per annum.
For re-lending to the National Educational Society for the construction of the Kamala Nehru Hostel.	0·20	0·20	Interest-free. Repayable in sixteen years commencing from 1955–56.
For development of Minor Ports.	0·91	0·91	Repayable with interest at 4½ per cent per annum in eighteen equated annual instalments. Interest-free for the first twelve years.
Loan for Minor Irrigation Schemes in the National Extension Service Blocks.	4·48	4·11	Repayable in twelve annual equated instalments with interest at 4-1/8 per cent per annum.
Loan for Community Development Projects.	2·87	2·87	Repayable in twelve years with interest at 4 per cent per annum. Annuity commences in September 1956.
Value of the stock of food-grains, fertilizers, etc., held in the present Madras State on 1st October 1953 (treated as a short-term loan).	3,69·41	..	Repayable with interest at 3 per cent per annum. This is to be adjusted against the value of the surplus stocks of rice sold to the Government of India consequent on decontrol.
1954–55—			
For financing Manimuthar, Araniar, Walayar, Mangalam, Sathanur and Krishnagiri Projects.	2,00·00	2,00·00	Loan from the Special Development Fund. Repayable in seven equated annual instalments with interest at 4 per cent per annum commencing from 1958–59. Interest alone payable during the first three years (1955–56, 1956–57 and 1957–58).
For Rural Electrification Schemes.	1,00·00	1,00·00	Do.
For financing the Vaigai, Amaravathi and Mettur Canals Irrigation Schemes.	1,30·00	1,30·00	Special assistance for permanent improvements to scarcity areas. Loan expected to be drawn before 31st March 1955.
Share in National Plan Loan.	5,00·00	5,00·00	Repayable in October 1965. Interest alone payable half-yearly at 3-7/8 per cent per annum.

B. Loans raised by the present Madras Government on or after 1st October 1953—cont.

When obtained and description of loan. (1)	Total amount. (2) RS. LAKHS.	Amount expected to be outstanding on 31st March 1955. (3) RS. LAKHS.	Remarks. (4)
1954–55—*cont.*			
Special Minor Irrigation Schemes.	30·00	30·00	Repayable in fifteen annual equa instalments with interest at 4¼ cent per annum.
Tractor Reclamation Schemes (Hire Purchase System).	4·60	4·60	Do.
For re-lending to the Corporation of Madras for their City Sewage Utilization Schemes.	16·00	16·00	Repayable in ten equated ann instalments with interest at 4 cent per annum.
For re-lending to the Madras State Handloom Weavers' Co-operative Society.	33·00	33·00	Interest-free. Repayable in f annual equal instalments.
Loan for Cotton Extension Scheme.	3·00	..	Short-term loan. Repayable on before 31st March 1955.
For re-lending to Small Scale Industries.	3·50	3·50	Repayable with interest at 3¾ p cent per annum in nine equal annual instalments commenci from 1955–56.
For re-lending to the National Educational Society for the construction of the Kamala Nehru Hostel.	0·20	0·20	Interest-free. Repayable in sixte years commencing from 1955–56.
Loan for the purchase and distribution of fertilizers.	1,16·80	1,16·80	Repayable with interest at 3 per ce per annum on or before 30th Ju 1955.
Other items (Loans for Community Development Blocks N.E.S. areas, etc).	62·90	62·90	Loans expected to be drawn befo 31st March 1955 as per Revise Estimate for 1954-55.
Total ..	17,92·04	14,03·38	

APPENDIX IV.

Statement showing the details of expenditure on the Schemes included in the Five-Year Plan.

Madras State Five-Year Plan.

Main Heads of Development. (1)	Provision made in the Five-Year Plan. (2)	Expenditure incurred to end of 1953–54. (3)	Revised Estimate, 1954–55. (4)	Budget Estimate, 1955–56. (5)	Total of expenditure incurred in the first three years and estimated expenditure for the last two years. (6)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
I. Agriculture and Rural Development—					
A. Agriculture	9,02	5,68	2,23	1,28	9,19
B. Animal Husbandry	56	22	10	15	47
C. Dairying and milk supply ..	13	9	1	3	13
D. Forests	75	12	6	7	25
E. Co-operation	17	6	4	3	13
F. Fisheries	49	26	6	5	37
G. Rural Development	30	31	7	6	44
Total I ..	11,42	6,74	2,57	1,67	10,98
II. Major Irrigation and Power projects—					
A. Irrigation projects	20,19	11,17	4,17	6,19	21,53
B. Power projects	30,86	13,37	7,14	11,40	31,91
Total II ..	51,05	24,54	11,31	17,59	53,44
III. Industry—					
A. Cottage industry	44	36	7	9	52
B. Other industries	1,28	78	19	21	1,18
Total III ..	1,72	1,14	26	30	1,70

STATEMENT SHOWING THE DETAILS OF EXPENDITURE ON THE SCHEMES INCLUDED IN THE FIVE-YEAR PLAN—*cont.*

Main Heads of Development.	Provision made in the Five-Year Plan.	Expenditure incurred to end of 1953–54.	Revised Estimate, 1954–55.	Budget Estimate, 1955–56.	Total of expenditure incurred in the first three years and estimated expenditure for the last two years.
(1)	(2)	(3)	(4)	(5)	(6)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
IV. Transport (Roads)—					
Highways	3,58	2,15	42	56	3,13
V. Social Services—					
A. Education	4,94	1,54	99	1,43	3,96
B. Medical	2,48	1,72	34	35	2,41
C. Public Health	5,18	2,00	96	2,58	5,54
D. Housing	1,90	1,06	28	27	1,61
E. Amelioration of Backward Classes. ..	4,16	2,38	1,03	1,08	4,49
Total V ..	18,66	8,70	3,60	5,71	18,01
Total State Plan—					
I to V	86,43	43,27	18,16	25,83	87,26

NOTE.—The figures for Community Development Projects, etc., which are excluded fro[m] the above statements, are as shown below :—

Community Development Projects, National Extension Services and Local Development Works including contributions from the public.	6,41	56	2,82	3,47	6,85